

# Policy Committee

18 September 2024



**Reading**  
Borough Council

Working better with you

<b>Title</b>	2024/25 Quarter 1 Performance and Monitoring Report
<b>Purpose of the report</b>	To make a decision
<b>Report status</b>	Public report
<b>Report author</b> (name & job title)	Stuart Donnelly, Financial Planning & Strategy Manager Gavin Handford, Assistant Director of Policy, Performance & Customer Services
<b>Lead Councillor</b> (name & title)	Councillor Emberson, Lead Councillor for Corporate Services & Resources
<b>Corporate priority</b>	Our Foundations
<b>Recommendations</b>	<p><b>That Policy Committee notes:</b></p> <ol style="list-style-type: none"><li>1. That the forecast General Fund revenue outturn position for Quarter 1 is an adverse net variance of £4.987m (Appendix 1); comprising £13.068m of net budget pressures that are partially offset by £8.081m of identified Officer Decision Recovery Plan mitigations which are summarised in Section 4 and set out in detail in Appendix 3;</li><li>2. That further Recovery Plan mitigations are in development and those requiring a Member Decision will be brought for consideration via a report to Policy Committee in October 2024;</li><li>3. That £3.052m (41%) of savings approved as part of the 2024/25 Budget are on track to be delivered by March 2025. £0.656m (9%) of savings are currently categorised as non-deliverable (red) and £3.760m (50%) categorised as at risk of delivery (amber) (Appendix 4);</li><li>4. That the General Fund Capital Programme is forecasting a positive net variance of £0.136m against the proposed revised budget of £96.905m (Appendix 5);</li><li>5. That there is a total £3.143m Delivery Fund available for 2024/25 (inclusive of 2023/24 approved carry forwards). At Quarter 1, £3.097m of this funding has been allocated out to approved schemes;</li><li>6. That the Housing Revenue Account (HRA) is projecting an adverse net variance of £0.162m as at the end of Quarter 1, which results in a forecast drawdown from HRA Reserves of £2.744m rather than the originally budgeted £2.582m;</li><li>7. That the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £45.284m (Appendix 6).</li><li>8. The performance achieved against the Corporate Plan success measures as set out in Section 11 of this report and Appendices 7 and 8.</li></ol>

	<p><b>That Policy Committee approves:</b></p> <p>9. The proposed amendments to the General Fund Capital Programme (as set out in Section 8 of this report and Appendix 5), which would result in a revised Capital Programme budget of £96.905m for 2024/25, £59.499m for 2025/26 and £27.302m for 2026/27;</p> <p>10. Scheme and spend approval for the Burial Chambers scheme within the Capital Programme as set out in Section 8.</p> <p>11. The proposed amendments to the HRA Capital Programme (as set out in Section 10 of this report and Appendix 6), which would result in a revised Capital Programme budget of £45.284m for 2024/25, £59.136m for 2025/26 and £18.088m for 2026/27.</p>
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## 1. Executive Summary

### General Fund – Revenue

- 1.1 The Council is currently experiencing significant financial pressures over and above those provided for as part of the budget setting process. These need to be managed carefully in order to avoid putting the financial stability of the Council at risk. Net budget pressures totalling £13.068m have been identified during Quarter 1. The Corporate Management Team has taken urgent action to address the situation and work has so far identified £8.081m of in-year mitigations. These mitigations reduce the overall forecast net pressures to £4.987m. Work is ongoing to identify further savings, however the position remains challenging. A pause on all non-essential expenditure and recruitment has been implemented until the budget is brought back in line.

**Table 1. Summary of Quarter 1 Forecast**

	<b>Forecast Variance</b>
	<b>£m</b>
Net Budget Pressures	13.068
Recovery Plan Mitigations	(8.081)
<b>Total</b>	<b>4.987</b>

- 1.2 Further savings proposals requiring a Member decision will be submitted to Policy Committee for consideration in October.

- 1.3 The main financial pressures are set out below:

#### *Homelessness*

- 1.4 The cost-of-living crisis continues to have a significant impact on homelessness budgets because of inflation pressures and decreased supply in the private sector. The number of singles and families in need of emergency accommodation has reached a current level of 168 in June 2024. The average nightly costs had been reducing from a high of £127.58 in August 2023 down to £91.39 in March 2024, however this has increased to £96.27 as at 30<sup>th</sup> June 2024. For context the 2024/25 Budget for Homelessness was increased by £1.000m based on an average weekly caseload of 70 and an average nightly cost of £120.00.
- 1.5 The combination of these two factors has resulted in an increase in the forecast adverse variance to £1.111m. This is based on an assumption that the weekly average spend for the first quarter continues for the rest of the year.

- 1.6 However, it should be noted that the spend in the last week of June was higher than the average for the quarter as a whole. If spend continues at that level for the rest of the year, then the forecast adverse variance would increase to £1.283m.
- 1.7 Of even greater concern is that if the current rate of increase for families requiring support continues for the rest of the year, then we would end up with 219 families in emergency accommodation by the end of March 2025 and the adverse deficit would be £1.873m.

#### *Planning, Transport & Public Protection*

- 1.8 There is a total forecast adverse net variance of £0.787m across this service, mainly relating to income shortfalls across Building Control, Planning and Transportation.

#### *Childrens Social Care*

- 1.9 Children's Services delivered by Brighter Futures for Children (BFfC) is forecasting an overall adverse net variance of £2.527m at Quarter 1, which includes £2.298m of recovery plan mitigations.
- 1.10 The adverse net variance excluding recovery plan mitigations is £4.825m, which primarily relates to Children Looked After placement costs. The 2024/25 Budget included an increase of £5.941m for placement demand, based on a total number of Children Looked After (CLA) of 276. As at the end of June 2024, there are 266 CLA. This variance therefore relates to the placement mix and increase in placement costs rather than an increase in CLA numbers.
- 1.11 The current forecast outturn position makes provision for children in care proceedings, but it does not make any further provision for a continued increase in the number of children in residential placements.
- 1.12 Further details are set within the BFfC Budget Monitoring Report Quarter 1 which is attached as Appendix 2.

#### *Corporate Budgets*

- 1.13 Corporate Budgets are forecasting an overall adverse variance of £1.310m. This is comprised of a forecast adverse variance of £2.993m on Housing Benefit and offsetting positive variances of £0.754m within Other Corporate Budgets and £0.929m related to Capital Financing.

#### *Savings*

- 1.14 The Quarter 1 forecast is that £3.052m (41%) of savings are on track to be delivered by March 2025. £0.656m (9%) of savings are currently categorised as seriously at risk (red) and £3.760m (50%) categorised as at risk of delivery/delay (amber) (Appendix 4).
- 1.15 There is no Corporate Contingency to mitigate against undelivered savings as it was removed as part of the 2024/25 budget setting process. It is therefore critical that all savings are delivered. The Savings Tracker which lists progress against each individual saving is attached as Appendix 4.

#### **General Fund – Capital**

- 1.16 The General Fund Capital Programme had an Original Budget of £95.232m which was approved as part of the 2024/25 Budget. This budget was revised to £109.005m following approved adjustments as part of the Quarter 3 and Quarter 4 2023/24 Performance and Monitoring Reports.

- 1.17 This report is requesting further adjustments as set out at summary level in Section 8 and in detail in Appendix 5 that would result in a revised approved budget of £96.905m for 2024/25.
- 1.18 At Quarter 1, against the revised budget of £96.905m, the current forecast is a positive net variance of £0.136m. This variance relates entirely to the Delivery Fund.
- 1.19 The General Fund Capital Programme is set out in more detail in Section 8 and Appendix 5.

### **Housing Revenue Account (HRA) – Revenue**

- 1.20 The approved Housing Revenue Account (HRA) budget assumed a drawdown from HRA reserves of £2.582m. At Quarter 1, the forecast revenue outturn position on the HRA is an adverse net variance to budget of £0.162m. Therefore, a drawdown from the HRA Reserve is forecast of £2.744m rather than the originally budgeted £2.582m drawdown from reserves.

### **Housing Revenue Account (HRA) – Capital**

- 1.21 The Housing Revenue Account (HRA) Capital Programme had an Original Budget of £47.760m which was approved as part of the 2024/25 Budget. This budget was revised to £50.050m following approved adjustments as part of the Quarter 3 and Quarter 4 2023/24 Performance and Monitoring Reports.
- 1.22 This report is requesting further adjustments as set out at summary level in Section 11 and in detail in Appendix 6 that would result in a revised approved budget of £45.284m for 2024/25.
- 1.23 At Quarter 1, the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £45.284m.
- 1.24 The HRA Capital Programme is set out in more detail in Section 10 and Appendix 6.

### **Performance**

- 1.25 The report also sets out performance against the measures of success published in the Council's Corporate Plan.
- 1.26 Of the 24 Corporate Plan Performance Measures monitored monthly or quarterly, 37% are currently at or above target (green), 17% within 10% of the target (amber) and 46% are 10% or more off target (red).
- 1.27 Of the 46 Corporate Plan Projects, 7% are currently delivered (blue), 56% are at or above target (green) and 37% within 10% of the target (amber).
- 1.28 The full list of Performance Measures is attached at Appendix 7 and Projects as Appendix 8.

## **2. Policy Context**

- 2.1. The Council approved the 2024/25 Budget and Medium-Term Financial Strategy (MTFS) 2024/25 – 2026/27 in February 2024.

## **3. General Fund – Revenue**

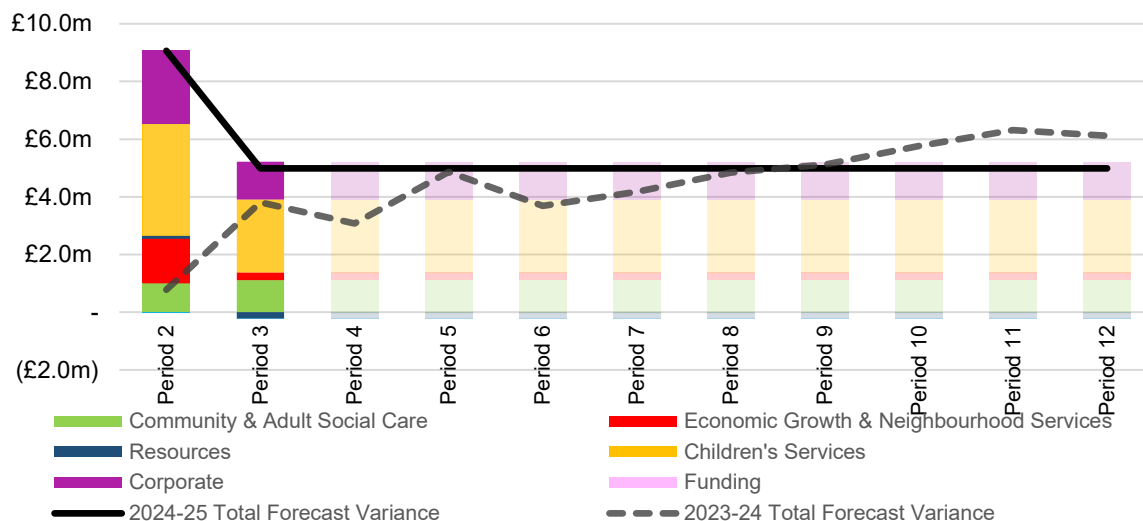
- 3.1. The forecast outturn position of the General Revenue Fund is an adverse net variance of £4.987m as at the end of Quarter 1 and is broken down by Directorate in the following table:

**Table 2. General Revenue Fund Forecast by Directorate 2024/25**

	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Community and Adult Social Care	57.787	58.898	1.111
Economic Growth and Neighbourhood Services	21.326	21.592	0.266
Resources	20.590	20.371	(0.219)
Chief Executive Services	1.654	1.646	(0.008)
Children's Services retained by Council	0.843	0.843	0.000
Children's Services delivered by BFfC	58.839	61.366	2.527
<b>Total Service Expenditure</b>	<b>161.039</b>	<b>164.716</b>	<b>3.677</b>
Capital Financing	18.355	17.426	(0.929)
Other Corporate Budgets	(8.424)	(6.185)	2.239
Movement in Reserves	(3.084)	(3.084)	0.000
<b>Total Corporate Budgets</b>	<b>6.847</b>	<b>8.157</b>	<b>1.310</b>
<b>Net Budget Requirement</b>	<b>167.886</b>	<b>172.873</b>	<b>4.987</b>
<b>Financed by:</b>			
Council Tax Income	(118.884)	(118.884)	0.000
NNDR Local Share	(32.045)	(32.045)	0.000
New Homes Bonus	(16.031)	(16.031)	0.000
Section 31 Grant	(1.255)	(1.255)	0.000
Revenue Support Grant	(2.652)	(2.652)	0.000
Other Government Grants	(1.193)	(1.193)	0.000
One-off Collection Fund Surplus	4.174	4.174	0.000
<b>Total Funding</b>	<b>(167.886)</b>	<b>(167.886)</b>	<b>0.000</b>
<b>(Positive)/Adverse Variance</b>	<b>0.000</b>	<b>4.987</b>	<b>4.987</b>

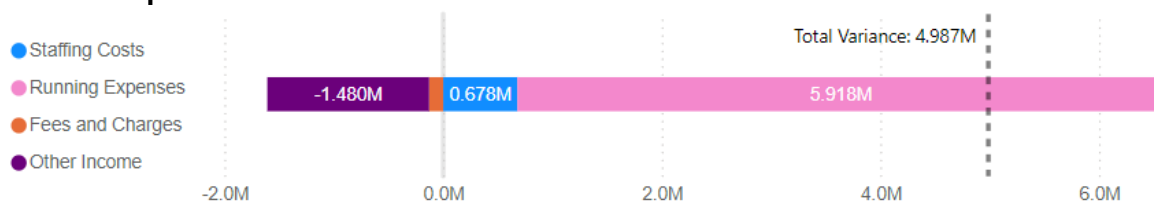
- 3.2. The following chart summarises the forecast budget variance, split by directorate, for each period to date.

**Chart 1. Forecast Variance Period Comparison – General Fund**



3.3. The following chart summarises the overall forecast budget variance for the Council by high level category:

**Chart 2. Split of Total Variance – General Fund**



**Community & Adult Social Care - £1.111m adverse variance**

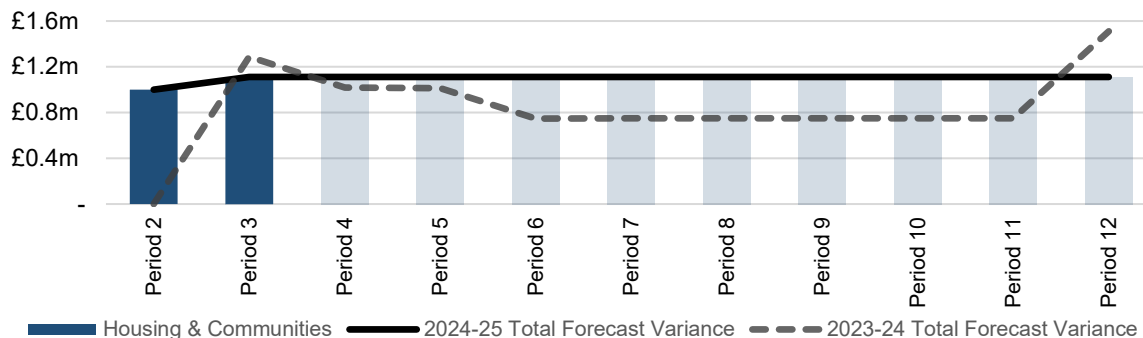
3.4. Community & Adult Social Care is forecasting an adverse net variance of £1.111m at Quarter 1.

**Table 3. Community & Adult Social Care Services Forecast 2024/25**

Service	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Commissioning, Transformation & Performance	3.118	3.118	0.000
Adult Services Operations	46.663	46.663	0.000
Community & Adult Social Care Management	1.034	1.034	0.000
Safeguarding, Quality & Practice	4.373	4.373	0.000
Public Health	0.000	0.000	0.000
Housing & Communities	2.599	3.710	1.111
<b>Total</b>	<b>57.787</b>	<b>58.898</b>	<b>1.111</b>

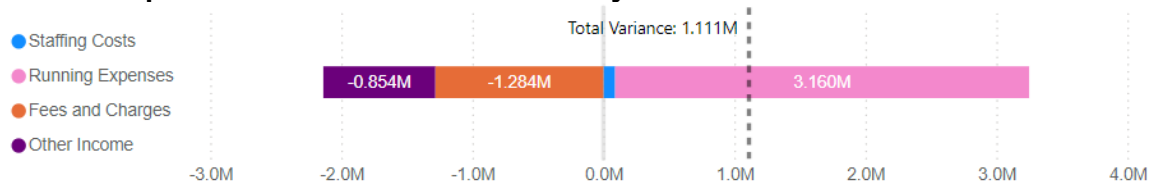
3.5. The following chart summarises the forecast budget variance, split by services within Community and Adult Social Care, for each period to date.

**Chart 3. Forecast Variance Period Comparison – Community & Adult Social Care**



3.6. The following chart summarises the overall forecast budget variance for Community and Adult Social Care by high level category:

**Chart 4. Split of Total Variance – Community & Adult Social Care**



3.7. The explanation for these forecast variances is set out below.

**Adult Services Operations – Balanced Budget Position**

3.8. Adult Services Operations are forecasting an overall balanced position as at Quarter 1. However, this includes a number of assumptions and risks.

3.9. An increase in budget of £0.577m for demographic growth was approved as part of the 2024/25 Budget, which was based on 3.0% growth in service users aged 65 and over and 0.0% growth for other service users. Service users in 2024/25 have increased to 1,694 as at Quarter 1, an increase of 54 from week 52 in March 2024, representing a total increase of 3.3%. Using the latest committed spend within the Mosaic system and forecasting grants and contributions towards care, the current forecast is an adverse variance of £2.647m.

3.10. The Directorate now have an in-year recovery plan in place, reviewing care placements, contracts and working with health partners, in addition also trying to look into further contract management, and how we can get best value on block contracts (further than originally planned). The plan is that this will cover the projected £2.583m adverse variance and the remaining amount will be covered through underspends in the service to approximately £0.064m, therefore a balanced position is being reported. The recovery plan is attached as Appendix 3.

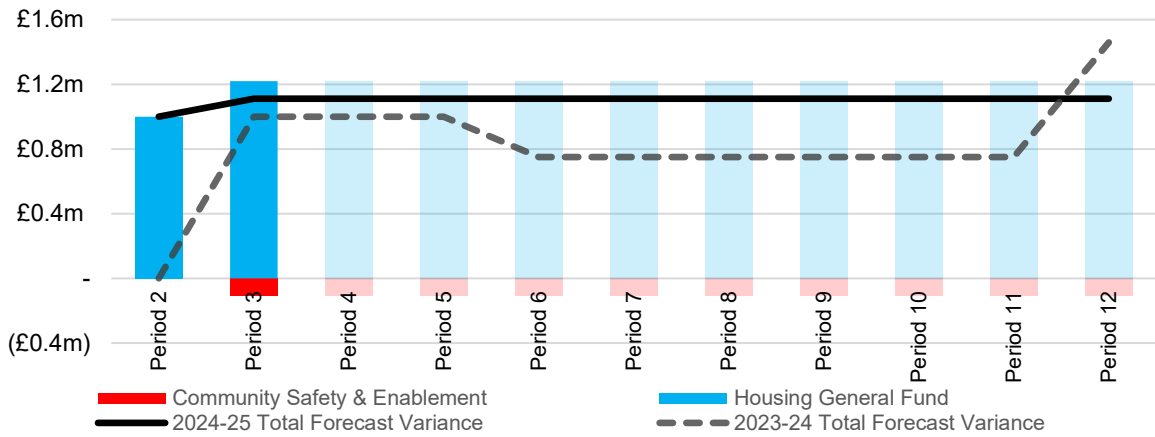
3.11. There is a risk that further significant increases in demand over the course of the year will increase the cost pressure over and above the level that can be contained by mitigations and savings within the recovery plan. This area will continue to be monitored and reported on a monthly basis.

**Housing & Communities - £1.111m adverse variance**

3.12. Housing & Communities is forecasting a £1.111m adverse variance for the year. The reasons for the variance are set out in paragraphs 3.15-3.19 below.

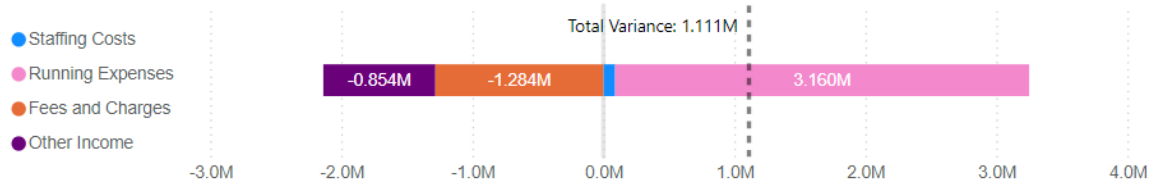
3.13. The following chart summarises the forecast budget variance across Housing & Communities for each period to date.

**Chart 5. Forecast Variance Period Comparison – Housing & Communities**



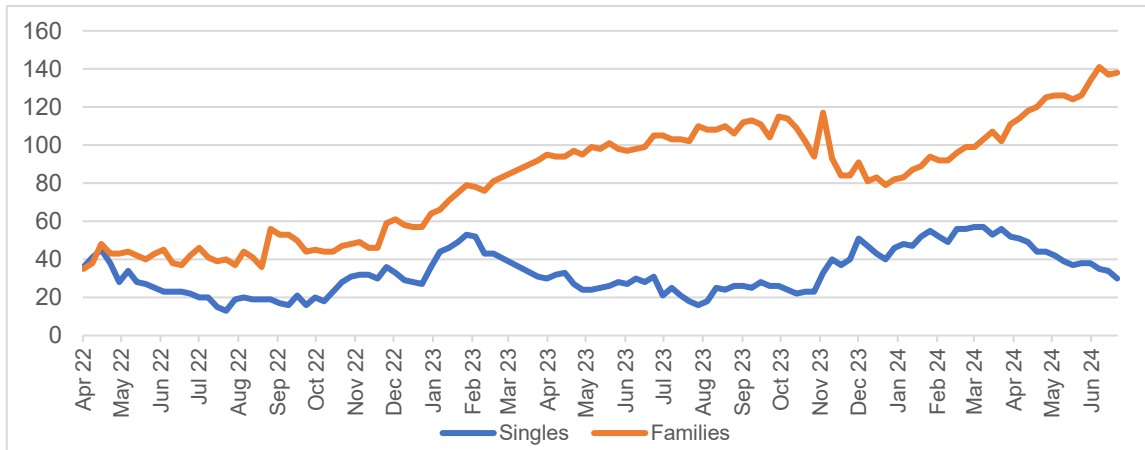
3.14. The following chart summarises the overall forecast budget variance for Housing & Communities by high level category:

**Chart 6. Split of Total Variance – Housing & Communities**



3.15. The cost-of-living crisis continues to have a significant impact on homelessness budgets because of inflation pressures and decreased supply in the private sector. The number of singles and families in need of emergency accommodation has reached a current level of 168 in June (as illustrated in Chart 7 below).

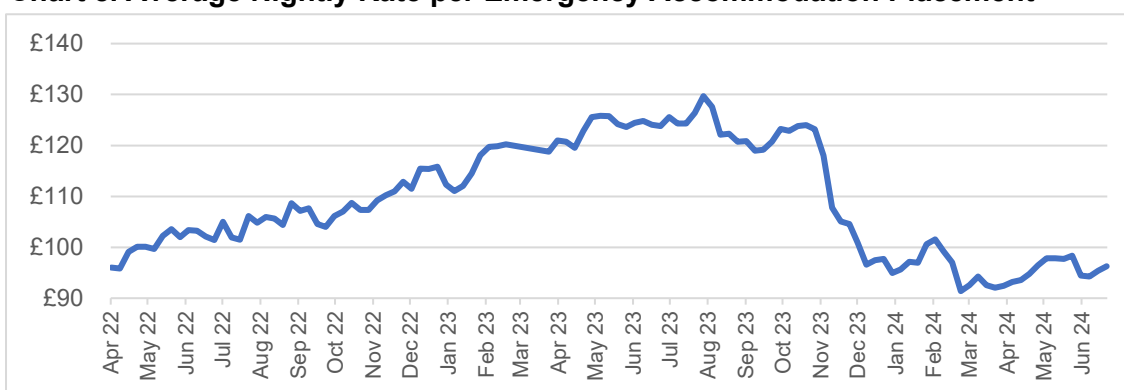
**Chart 7. Numbers of Singles and Families in Emergency Accommodation**



3.16. The increase primarily relates to the number of families in Emergency Accommodation, which has a higher nightly rate and has therefore led to a slight rise in the average nightly cost which had previously been successfully reduced over 2023/24. The average nightly costs had been reducing from a high of £127.58 in August 2023 down to £91.39 in March 2024, however this has increased to £96.27 as at 30<sup>th</sup> June 2024 (as illustrated in Chart 8 below).



**Chart 8. Average Nightly Rate per Emergency Accommodation Placement**



- 3.17. For context the 2024/25 Budget for Homelessness was increased by £1.000m based on an average weekly caseload of 70 and an average nightly cost of £120.00.
- 3.18. The likely pressure on Emergency Accommodation is thought to be between £1.200m-£1.300m. The lower estimate is based on an assumption that the weekly average spend for the first quarter continues for the rest of the year, whereas the higher estimate is based on the weekly spend as at the end of June continuing for the remainder of the year as spend in the last week of June was higher than the average for the quarter as a whole. For the whole service, minor positive variances elsewhere reduce the expected total adverse variance to £1.111m.
- 3.19. Of even greater concern is that if the current rate of increase for families requiring support continues for the rest of the year, then we would end up with 219 families in emergency accommodation by the end of March 2025 and the adverse deficit would be £1.873m. It is currently anticipated that actions identified within the Recovery Plan will mitigate against this potential pressure should it arise and thus contain the variance to £1.111m.

**Economic Growth and Neighbourhood Services - £0.266m adverse variance**

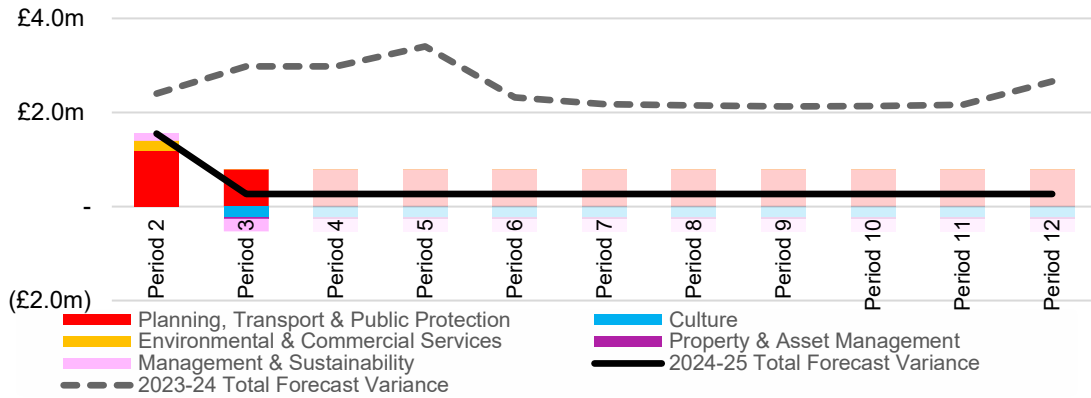
- 3.20. Economic Growth and Neighbourhood Services' is forecasting an adverse net variance of £0.266m at Quarter 1 and is summarised by service below.

**Table 4. Economic Growth and Neighbourhood Services Forecast 2024/25**

Service	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Planning, Transport & Public Protection	(0.018)	0.769	0.787
Culture	3.186	2.964	(0.222)
Environmental & Commercial Services	20.259	20.266	0.007
Property & Asset Management	(2.936)	(2.976)	(0.040)
Management & Sustainability	0.835	0.569	(0.266)
<b>Total</b>	<b>21.326</b>	<b>21.592</b>	<b>0.266</b>

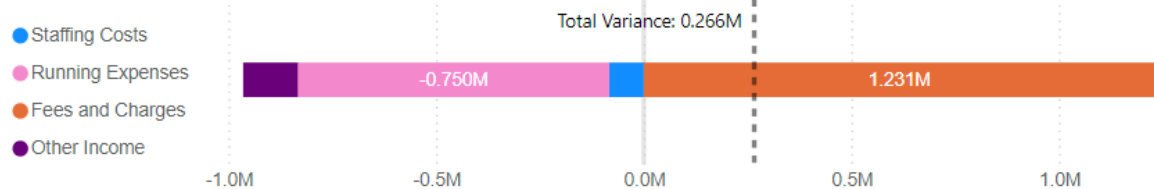
- 3.21. The following chart summarises the forecast budget variance, split by services within Economic Growth and Neighbourhood Services, for each period to date.

**Chart 9. Forecast Variance Period Comparison – Economic Growth and Neighbourhood Services**



3.22. The following chart summarises the overall forecast budget variance for Economic Growth and Neighbourhood Services by high level category:

**Chart 10. Split of Total Variance – Economic Growth and Neighbourhood Services**



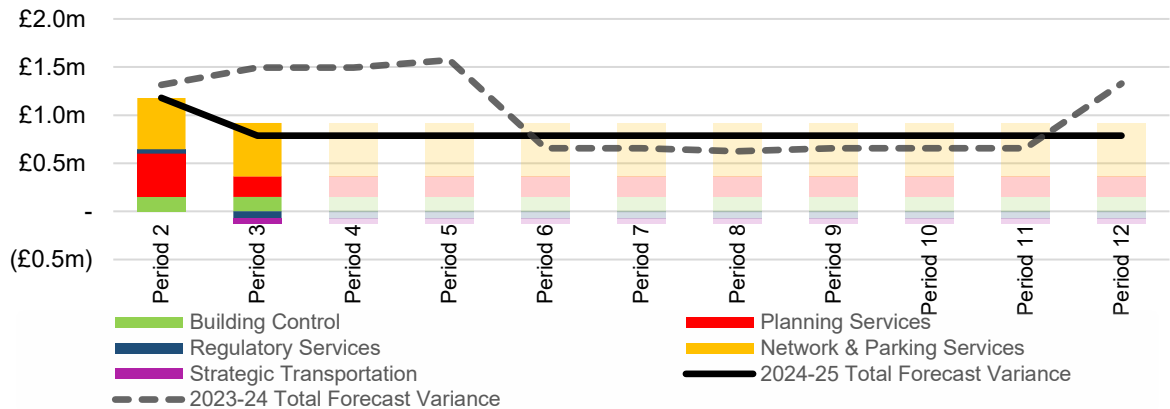
3.23. The explanation for these variances is set out below.

**Planning, Transport and Public Protection - £0.787m adverse variance**

3.24. Planning, Transport and Public Protection is forecasting an adverse variance of £0.787m.

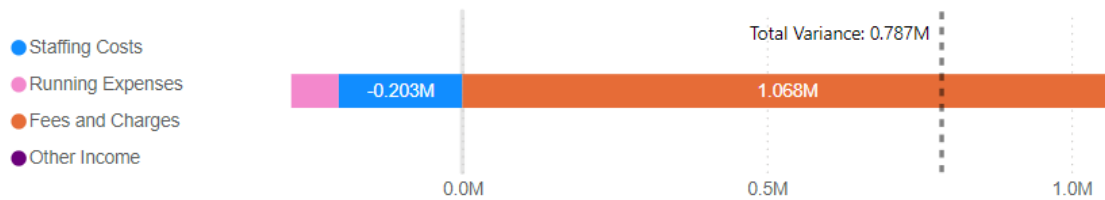
3.25. The following chart summarises the forecast budget variance across Planning, Transport and Public Protection for each period to date.

**Chart 11. Forecast Variance Period Comparison – Planning, Transport and Public Protection**



3.26. The following chart summarises the overall forecast budget variance for Planning, Transport and Public Protection by high level category:

**Chart 12. Split of Total Variance – Planning, Transport and Public Protection**



- 3.27. Building Control is forecasting an adverse variance on income generation of £0.150m. This income shortfall directly correlates to the lack of staffing and a lack of availability of suitable agency staff to undertake the fee earning work during the Quarter. Recent rounds of recruitment have been successful in appointing permanent staff therefore reducing agency costs, but there will be a lag until this translates into fee earning work. The recruitment challenge has become more significant with a change in legislation which has resulted in professionals leaving the sector.
- 3.28. Planning is forecasting an adverse variance of £0.227m. This variance comprises a £0.200m income pressure which is directly related to the number of planning applications, which includes £0.055m of red rated savings. These have been impacted by successive development risks such as inflation, materials costs, changes in legislation and market factors such as high costs of mortgages. There is also a pressure arising from delays to the Local Plan review process which resulted in a positive variance last financial year but have consequently pushed £0.027m of expenditure into 2024/25. The DEGNS recovery plan has identified a number of mitigations totalling £0.013m within Planning that have reduced the overall forecast adverse variance to £0.214m.
- 3.29. There is a forecast adverse net variance of £0.285m relating to Bus Lane Enforcement income. There is a measurable decrease in penalties being issued due to improved driver compliance. It should be noted, that whilst reducing numbers of Penalty Charge Notices (PCN's) being issued in bus lanes has a significant financial impact, it is achieving compliance, which is the goal of all traffic enforcement.
- 3.30. There is a forecast adverse net variance of £0.100m in Off Street parking (shown as red rated saving in the Savings Tracker (Appendix 4)). Risks remain with Off-Street parking where the ongoing inflation and costs to consumers, working from home and high fuel costs has led to fewer visits to town centre and rental spaces to Royal Berkshire Hospital at Queens Road has not delivered the income anticipated due to the Hospital seeking other alternates to support staff feedback about proximity and safety. Town Centre car parks are subject to competition from providers such as the Oracle, who currently undercut the council's tariffs and have newer facilities. There have also been ongoing issues around reliability of infrastructure which have impacted Broad Street Mall and Queens Road which have reduced income levels. The decreasing draw of the high street for shoppers is another factor.
- 3.31. Moving Traffic Enforcement is forecasting an adverse net variance of £0.171m following on from the introduction of this scheme during 2023/2024. There is an income pressure of £0.370m relating to this scheme, a red rated saving on the Savings Tracker (Appendix 4), which is partially offset by £0.199m of positive variances across expenditure budgets. This remains an ongoing area of concern into 2024/25. Some sites are generating zero non-compliance and currently there are no other sites where enforcement could be switched out to. There will need to be a consideration to rebasing this budget unless resources in Network Services can be released to consider and evidence alternate sites for deployment of enforcement cameras.
- 3.32. The DEGNS recovery plan has identified a number of mitigations totalling £0.060m within Strategic Transportation which partially offset the pressures outlined above.
- 3.33. Other forecast adverse variances total £0.043m. These include Premises licence fees income shortfall of £0.032m in respect of Reading Festival (red rated saving) which is largely based on Festival Republic's need for a licence variation, and £0.011m relating to additional costs of Dog Warden contract.

- 3.34. The DEGNS recovery plan has identified a number of mitigations totalling £0.116m within Public Protection which partially offset the pressures outlined above.

**Culture – £0.222m positive variance**

- 3.35. Reading Play Services within the Leisure Services is forecasting an adverse net variance of £0.060m. This is due to income expected to be achieved below what is budgeted, until the growth strategy is complete. There are also vacancies in service impacting on income generation.
- 3.36. Libraries is forecasting a positive variance of £0.060m. £0.040m of this is due to recovery savings from the libraries business rates budgets and within archaeology. The remaining £0.020m is forecast to be achieved through better than planned income from the visa services.
- 3.37. Archives & Records is forecasting a positive variance of £0.025m. This is due to recovery savings from the reprofiling of budgets to the joint arrangement board agreed budgets.
- 3.38. Reading Arts & Venues is forecasting a positive net variance of £0.110m arising from additional mitigations identified in the DEGNS Recovery Plan.
- 3.39. Additionally, a further £0.087m of Recovery Plan mitigations have been identified relating to the repurposing of the UK Shared Prosperity Fund grant.

**Environmental & Commercial Services – £0.007m adverse variance**

- 3.40. Environmental & Commercial Services is forecasting an adverse variance of £0.007m.
- 3.41. Recycling and Waste Collection is forecasting an adverse variance of £0.120m. Changes to staff working conditions, coupled with an increased incident of vehicle failure and spike in sickness absence has led to increased overtime working to recover waste collections to schedule. These issues are being addressed by Management and it is forecast that increased overtime working will be required until the end of July 2024.
- 3.42. Highways and Drainage is forecasting an adverse variance of £0.100m. The cost of Materials remains high, and it is expected that this will result in a net pressure within the service. Recovery Plan mitigations totalling £0.020m partially reduce this forecast adverse variance to £0.080m.
- 3.43. Waste Disposal is reporting a positive variance of £0.075m. The waste disposal contract inflationary increase has been less than estimated in the budget, creating a £0.141m positive variance, and recycling income is also projected to be higher than budgeted by £0.032m. This has been partly offset by adverse variances on green waste tonnages and overall costs per tonne being slightly higher than estimated of £0.066m, as well as other smaller adverse variances totalling £0.032m.
- 3.44. Streetscene is forecasting a positive variance of £0.118m arising from additional mitigations identified in the DEGNS Recovery Plan.

**Property & Asset Management – £0.040m positive variance**

- 3.45. Property & Asset Management is forecasting a positive net variance of £0.040m.
- 3.46. Within Assets Management, Acre Business Park is forecasting an adverse net variance of £0.089m (red rated saving on the Savings Tracker (Appendix 4)). This is due to the underachievement of budgeted income resulting from an increase in vacancies on rented units and a delay in the capital works to release more sites for rental. This pressure is offset by the Valuations service which is forecasting a positive variance of £0.089m

relating to staff vacancies. The DEGNS recovery plan has identified a number of mitigations totalling £0.040m within Property & Asset Management which improves the forecast position from balanced to a positive net variance of £0.040m.

### **Management & Sustainability – £0.266m positive variance**

- 3.47. Management & Sustainability is forecasting a positive variance of £0.266m.
- 3.48. Business Development is forecasting an adverse variance of £0.100m. Advertising income has been delayed by planning and contractor issues and it is not expected to reach the required amount within 2024/25.
- 3.49. Sustainability is forecasting an overall balanced position. A forecast shortfall in income of £0.050m relating to the Corporate Solar Programme has been fully offset by £0.050m of Recovery Plan mitigations.
- 3.50. DEGNS Management is forecasting a positive variance of £0.040m resulting from the DEGNS Recovery Plan. Following a review of Business Rates charges for the Council for 2024/25, £0.040m of the provision budget agreed within the MTFs will not be needed and has been released.
- 3.51. Additionally, the DEGNS Recovery Plan has identified £0.326m of mitigations relating to Energy budgets as the price of energy has reduced from the level assumed in the Medium Term Financial Strategy.

### **Resources - £0.219m positive variance**

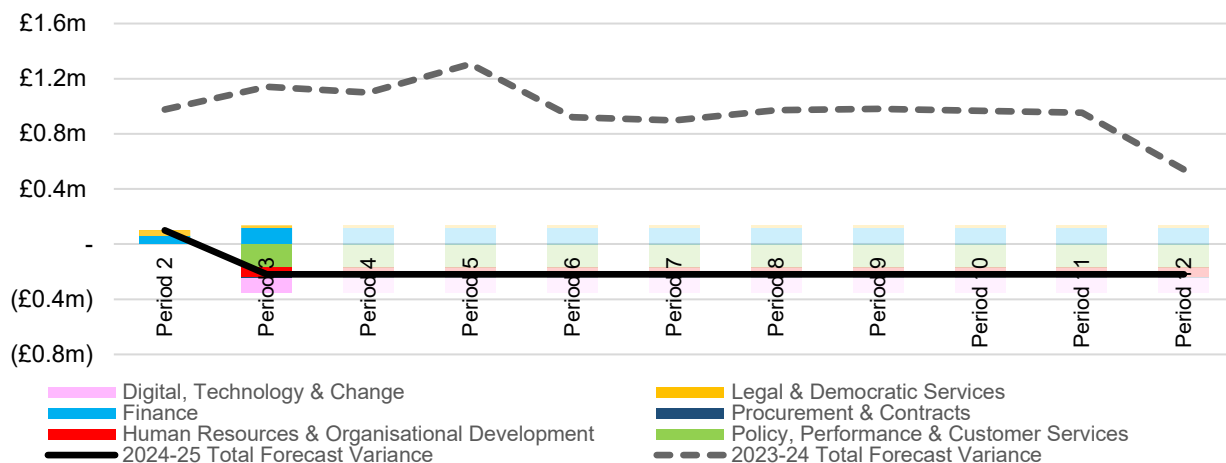
- 3.52. The Directorate of Resources is forecasting positive net variance of £0.219m at Quarter 1 and is summarised by service below.

**Table 5. Resources Services Forecast 2024/25**

<b>Service</b>	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Policy, Performance & Customer Services	3.070	2.902	(0.168)
Human Resources & Organisational Development	2.075	2.003	(0.072)
Procurement & Contracts	0.393	0.386	(0.007)
Finance	5.050	5.167	0.117
Legal & Democratic Services	3.256	3.274	0.018
Digital, Technology & Change	6.746	6.639	(0.107)
<b>Total</b>	<b>20.590</b>	<b>20.371</b>	<b>(0.219)</b>

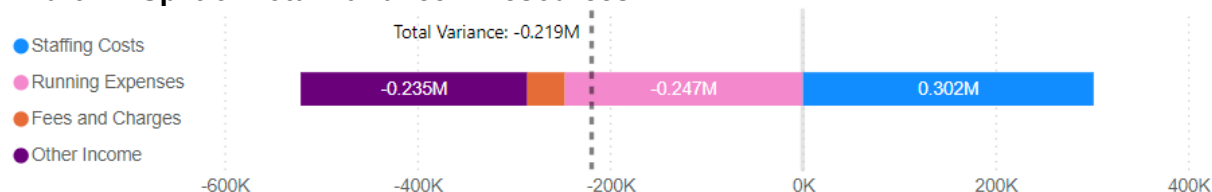
- 3.53. The following chart summarises the forecast budget variance, split by services within Resources, for each period to date.

### **Chart 13. Forecast Variance Period Comparison – Resources**



3.54. The following chart summarises the overall forecast budget variance for Resources by high level category:

**Chart 14. Split of Total Variance – Resources**



3.55. The explanations for these variances are set out below.

#### **Policy, Performance & Customer Services – £0.168m positive variance**

3.56. Policy, Performance and Customer Services is currently forecasting a positive variance of £0.168m for Quarter 1, which includes £0.112m of Recovery Plan savings, helping to deliver a positive variance for the service. The Bereavement Service is anticipating savings of £0.080m on premises and grounds costs and £0.020m in additional fees and charges of £0.050m in Registrars is being offset by a small £0.004m pressure on salary costs alongside an anticipated deferral within Place Based Pilot spending of £0.022m.

#### **Human Resources & Organisational Development – £0.072m positive variance**

3.57. Human Resources and Organisational Development is currently forecasting a positive variance of £0.072m. This variance consists of £0.060m additional income at Kennet Day Nursery, partially offset by £0.030m of staffing pressures across the service. The implementation of Recovery Plan Actions reductions totalling £0.042m relating to learning and development spending and a reduction in advertising costs, increase the overall forecast positive variance to £0.072m.

#### **Procurement & Contracts – £0.007m positive variance**

3.58. Procurement and Contracts have negotiated a small rebate with one of the Crown Commercial Services contracts contributing £0.007m, resulting in a small positive variance.

#### **Finance – £0.117m adverse variance**

3.59. Finance is currently forecasting an adverse variance of £0.117m mainly relating to staffing pressures and a small adverse variance on the costs of systems. Finance have identified £0.202m of staffing vacancies, which have been included within the Recovery Plan and this forecast, helping to partially offset additional agency staffing costs.

#### **Legal & Democratic Services – £0.018m adverse variance**

- 3.60. Legal & Democratic Services is currently forecasting an adverse variance of £0.018m mainly linked to continued lower Land Charges income.

**Digital, Technology and Change – £0.107m positive variance**

- 3.61. Digital, Technology and Change is currently forecasting an adverse variance of £0.107m, through the implementation of a number of Recovery Plan actions, including reducing the availability of the Council servers out of hours saving £0.035m, reducing a number of contracts and subscriptions saving £0.122m, partly offset due to additional license costs of £0.050m.

**Chief Executive Services - £0.008m positive variance**

- 3.62. Chief Executive Services is forecasting a positive net variance of £0.008m at Quarter 1, which is summarised below.

**Table 6. Chief Executive Services Forecast 2024/25**

Service	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Executive Management Team	0.895	0.895	0.000
Communications	0.760	0.752	(0.008)
<b>Total</b>	<b>1.654</b>	<b>1.646</b>	<b>(0.008)</b>

**Communications – £0.008m positive variance**

- 3.63. Communications is currently forecasting a positive variance of £0.008m at Quarter 1 due to additional income via the Lord Lieutenant Joint Arrangement administration fee.

**Children’s Services Delivered by Brighter Futures for Children (BFfC) - £2.527m adverse variance**

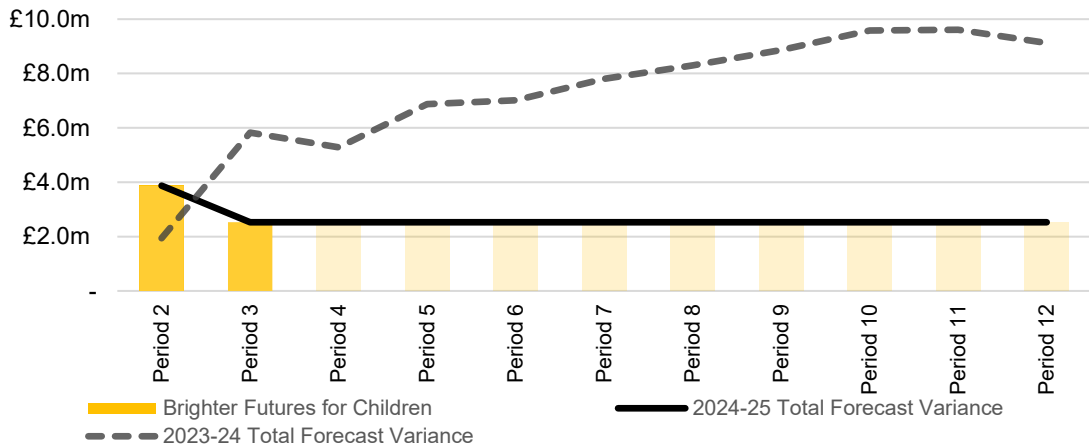
- 3.64. Children’s Services delivered by Brighter Futures for Children (BFfC) is forecasting an overall adverse net variance of £2.527m at Quarter 1, which is summarised below.

**Table 7. Children’s Services delivered by BFfC Forecast 2024/25**

Service	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Children’s Services delivered by BFfC	58.839	61.366	2.527
<b>Total</b>	<b>58.839</b>	<b>61.366</b>	<b>2.527</b>

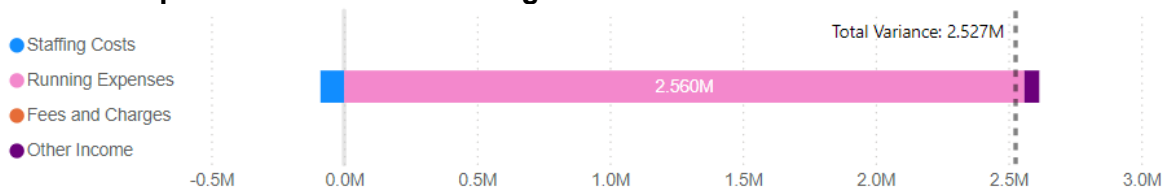
- 3.65. The following chart summarises the forecast budget variance, split by services within Children’s Services Delivered by BFfC, for each period to date.

**Chart 15. Forecast Variance Period Comparison – Childrens Services (BFfC)**



3.66. The following chart summarises the overall forecast budget variance for Children's Services Delivered by BFfC by high level category:

**Chart 16. Split of Total Variance – Brighter Futures for Children Contract**



3.67. The following table summarises the forecast position by service:

**Table 8. Children's Services delivered by BFfC Forecast 2024/25 by Service**

	<b>Current Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Family Help & Safeguarding	41.321	46.437	5.116
Resources	2.855	2.563	(0.292)
Corporate	1.882	1.882	0.000
Education	50.814	50.815	0.001
Dedicated Schools Grant	(44.750)	(44.750)	0.000
Service Level Agreements	6.717	6.717	0.000
<b>Total</b>	<b>58.839</b>	<b>63.664</b>	<b>4.825</b>

3.68. Family Help and Safeguarding incorporates Children's Social Care and Early Help budgets. This service is forecasting an adverse net variance of £5.116m at Quarter 1. This forecast includes:

- £4.797m of pressures on external placement budgets which reflects the current profile of Children Looked After (CLA). The number of CLA on 30<sup>th</sup> June 2024 was 270, with an allowance made for 2 potential new placements costing £0.435m which are in or about to enter legal proceedings. The 2024/25 Budget included an increase of £5.941m for placement demand, based on a total number of Children Looked After (CLA) of 276. As at the end of June 2024, there are 266 CLA. This variance therefore relates to the placement mix and increase in placement costs rather than an increase in CLA numbers.;
- £0.382m of pressures on staffing costs. This is due to a staffing budget and agency cost pressures of £0.257m and a shortfall on the saving requirement from the staffing restructure of £0.125m, which was originally targeted to save £0.151m. The shortfall is due to delay in the implementation of the staffing restructure due to a combination of the need to clarify costs of redundancies and the ILACS inspection and a reduced total savings expectation overall;



- £0.301m positive variance on other placement-related costs;
  - £0.238m of other net pressures across Family Help and Safeguarding budgets.
- 3.69. Education is forecasting an adverse net pressure of £0.001m relating to special transport costs.
- 3.70. Resources is forecasting a positive net variance of £0.292m, of which £0.184m relates to vacancies within Business Support; £0.060m within Commissioning; £0.026m within the Marketing team and £0.022m within the Information, Advice and Support Service.
- 3.71. The forecast adverse net variance, prior to any recovery plan actions is therefore a total of £4.825m. Further details are set out in Appendix 2.
- 3.72. Mitigations identified in the BFfC recovery plan total £2.298m, which reduces the overall forecast adverse net variance to £2.527m.

**Corporate Budgets - £1.310m adverse variance**

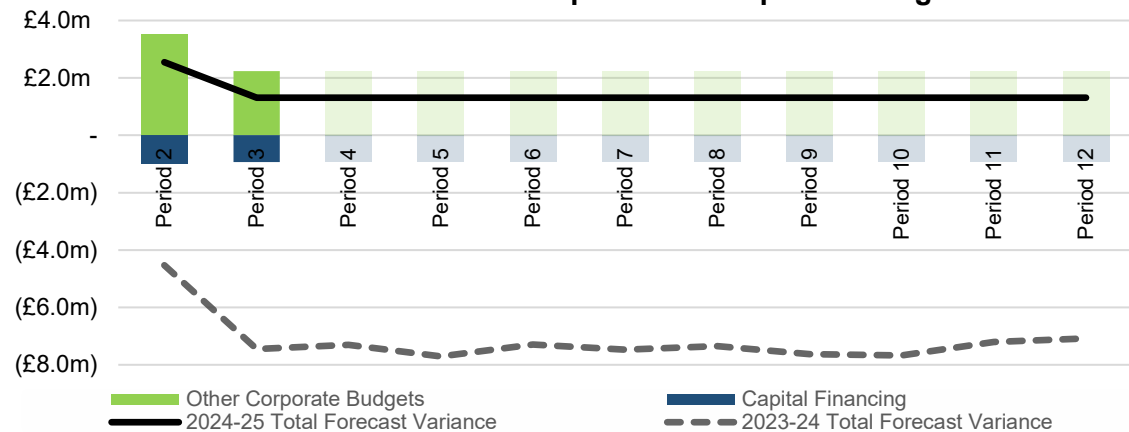
- 3.73. Corporate Budgets are forecasting an adverse net variance of £1.310m at Quarter 1 which is summarised below.

**Table 9. Corporate Budgets Forecast 2024/25**

Service	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Capital Financing	18.355	17.426	(0.929)
Other Corporate Budgets	(8.425)	(6.186)	2.239
Movement in Reserves	(3.084)	(3.084)	0.000
<b>Total</b>	<b>6.846</b>	<b>8.156</b>	<b>1.310</b>

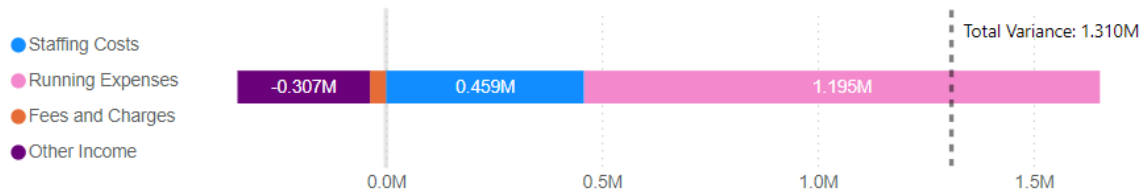
- 3.74. The following chart summarises the forecast budget variance, split by services within Corporate Budgets, for each period to date.

**Chart 17. Forecast Variance Period Comparison – Corporate Budgets**



- 3.75. The following chart summarises the overall forecast budget variance for Corporate Budgets by high level category:

**Chart 18. Split of Total Variance – Corporate Budgets**



- 3.76. Capital Financing Costs is forecasting a positive total net variance of £0.929m. As a result of the slippage on the Capital Programme, reported in the 2023/24 Quarter 4 Performance Report, there is a positive variance of £0.014m relating to the Minimum Revenue Provision (MRP). There is a further positive variance of £0.651m on the interest payable budget which is forecast to arise from a combination of the slippage on the Capital Programme and the Council's strategy of maximising internal borrowing, supported by temporary borrowing where required, in terms of managing the Council's cashflow. There is also a positive variance forecast of £0.264m on the interest receivable budget relating to treasury investments due to a combination of interest rates currently being higher than originally forecast and an improved cashflow position allowing for higher levels of cash balances to be invested.
- 3.77. Other Corporate Budgets is reporting an adverse net variance of £2.239m. This variance primarily relates to the forecast pressure on Housing Benefit expenditure of £2.993m where Subsidy is not 100% recoverable. This variance is comprised of a forecast pressure of £1.183m relating to unrecoverable subsidy for temporary accommodation and a forecast pressure of £1.810m relating to unrecoverable subsidy for supported accommodation. There is a positive variance of £0.986m relating to Business Rates refunds covering 2017/18 to 2023/24 on the Town Hall, following a successful appeal. There are additional adverse net variances totalling £0.232m.
- 3.78. There is a projected adverse variance of £0.334m relating to the latest 2024/25 pay award assumptions. The 2024/25 Budget assumed a pay award of 3.00% but based on latest information this is now projected to be an average of 3.54%. It is assumed that this pressure will be funded from the Pay & Inflation Earmarked Reserve.

#### 4. Recovery Plan

- 4.1. The following table summarises the officer decision Recovery Plan mitigations which are set out individually in Appendix 3.

**Table 10. Recovery Plan (Officer Decisions) Quarter 1**

Directorate	£m
Community and Adult Social Care	(2.583)
Economic Growth and Neighbourhood Services	(1.120)
Resources	(0.612)
Corporate	(1.286)
Children's Services delivered by BFfC	(2.480)
<b>Total</b>	<b>(8.081)</b>

- 1.29 Work is ongoing to identify further in-year mitigations and any proposals requiring a Member decision will be submitted to Policy Committee for consideration in October 2024.

#### 5. Savings Delivery

- 5.1. Delivery of the Council's budget is predicated on achieving savings and additional income as agreed as part of the budget setting process in February 2024. Detailed monitoring of agreed savings is tracked on a monthly basis.
- 5.2. The projected financial impact of any non-delivery of savings has been included in the projected outturn position reported above.

- 5.3. A total of £4.202m of savings were delivered in 2023/24. The residual £2.768m have been carried forward for delivery in 2024/25, giving a revised 2024/25 budgeted savings target of £7.468m.
- 5.4. The following table summarises the current forecast savings delivery for 2024/25 (a breakdown by individual saving is provided in Appendix 4):

**Table 11. General Funds Savings Tracker Summary**

Service	Savings At Risk £m	Savings Delayed or at Risk £m	Savings on Track £m	Savings Achieved £m	Directorate Total £m
Community and Adult Social Care	0.000	(0.354)	(0.781)	0.000	(1.135)
Economic Growth and Neighbourhood Services	(0.656)	(2.763)	(0.968)	0.000	(4.387)
Resources	0.000	(0.631)	(0.584)	0.018	(1.197)
Chief Executive Services	0.000	(0.012)	0.000	0.000	(0.012)
Corporate	0.000	0.000	0.000	(0.016)	(0.016)
Children's Services retained by Council	0.000	0.000	(0.005)	0.000	(0.005)
Children's Services delivered by BFfC	0.000	0.000	(0.716)	0.000	(0.716)
<b>Total</b>	<b>(0.656)</b>	<b>(3.760)</b>	<b>(3.054)</b>	<b>0.002</b>	<b>(7.468)</b>

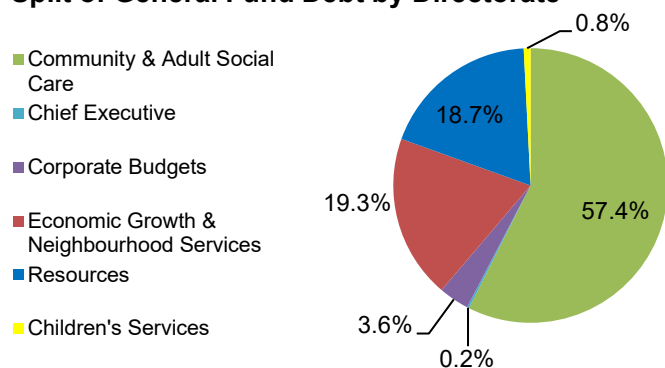
- 5.5. Any savings not delivered in 2024/25 will cause an immediate pressure on 2025/26, unless mitigated with alternative ongoing savings.

## 6. Debt Performance

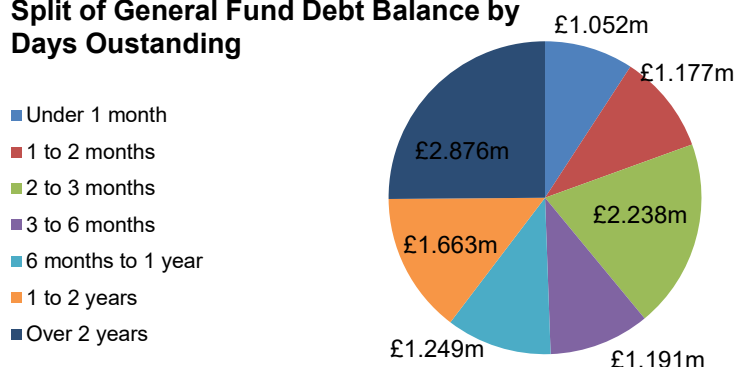
- 6.1. Total General Fund sundry debt as at the end of Quarter 1 is £11.446m. In addition to this, the General Fund also has £12.061m of current debt and £1.172m of deferred debt which is not yet considered overdue. A breakdown of this debt by age and directorate is provided below.

**Chart 19. Split of General Fund Debt by Directorate and Days Outstanding**

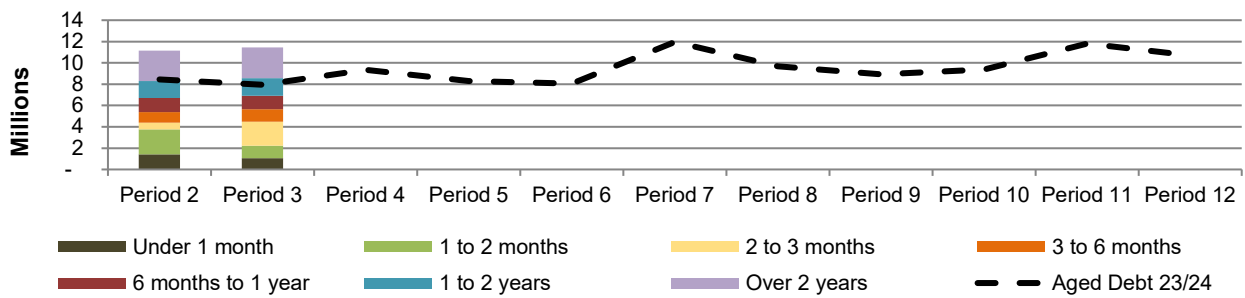
**Split of General Fund Debt by Directorate**



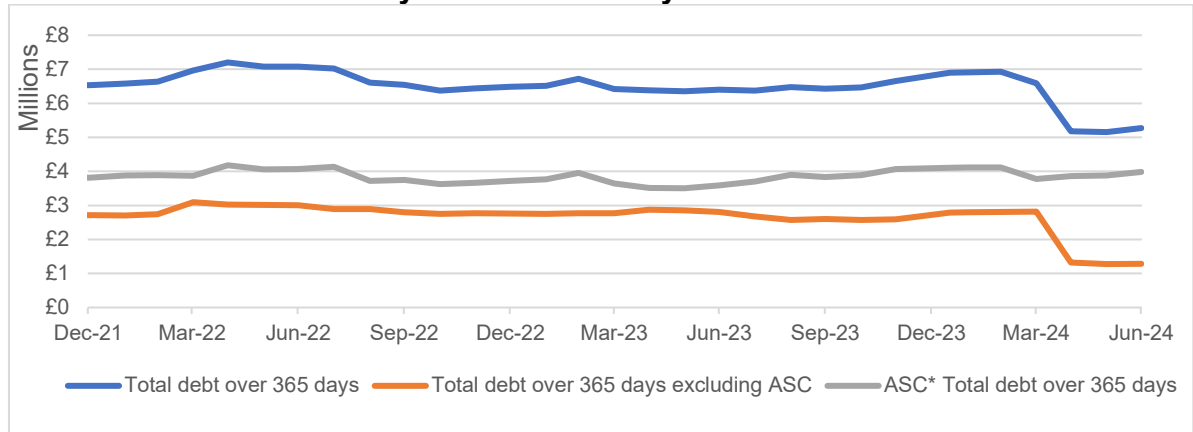
**Split of General Fund Debt Balance by Days Outstanding**



**Chart 20. Overdue General Fund Debt Monthly Comparison**



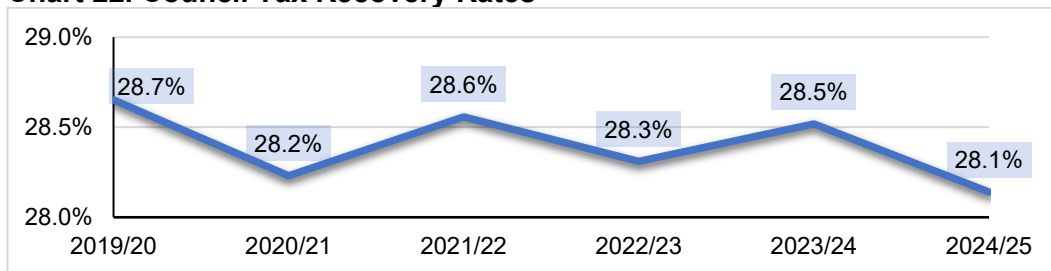
**Chart 21. Trend of All Sundry Debt over 365 Days Since December 2021**



## 7. Collection Fund

- 7.1. The following chart shows the Council's collection rate of the total annual debit raised for Council Tax and Non-Domestic (Business) Rates as at the end of Quarter 1.
- 7.2. Council Tax collection rates are behind the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) and 2023/24 collection rates at the same point last year. This is a similar trend across Berkshire and is likely related to the continuing cost of living crisis.

**Chart 22. Council Tax Recovery Rates**



- 7.3. The following table shows the collection performance levels for Council Tax across Berkshire:

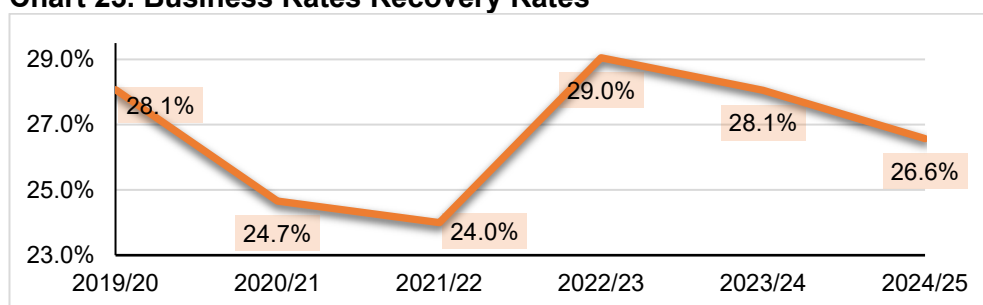
**Table 12. Council Tax Collection across Berkshire (Quarter 1)**

Council Tax	Comparison to 2023/24	Comparison to 2019/20
Bracknell	↓ 0.88%	↓ 1.20%
<b>Reading</b>	↓ <b>0.38%</b>	↓ <b>0.51%</b>
RBWM	↓ 0.64%	↓ 0.72%
Slough	↓ 0.98%	↓ 2.52%
West Berkshire	↓ 0.44%	↓ 0.86%
Wokingham	↓ 0.40%	↓ 0.98%

7.4. For context, a 0.38% decrease in collection is worth approximately £0.534m to the Collection Fund for 2024/25.

7.5. Non-Domestic collection rates are behind the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) and 2023/24 collection rates at the same point last year.

**Chart 23. Business Rates Recovery Rates**



7.6. The following table shows the collection performance levels for Non-Domestic (Business) Rates across Berkshire:

**Table 13. Business Rates Collection across Berkshire (Quarter 1)**

Business Rates	Comparison to 2023/24	Comparison to 2019/20
Bracknell	↓ 7.95%	↑ 0.87%
<b>Reading</b>	↓ <b>1.48%</b>	↓ <b>1.49%</b>
RBWM	↓ 1.42%	↓ 0.33%
Slough	↓ 0.73%	↓ 0.64%
West Berkshire	↓ 3.70%	↓ 0.58%
Wokingham	↑ 1.81%	↓ 0.59%

7.7. For context, a 1.48% decrease in collection is worth approximately £2.273m to the Collection Fund for 2024/25. However, a significant payment from the Education & Skills Funding Agency (ESFA) that is usually received in full by the end of Quarter 1 was only received in part, causing this quarter's variance to be around 1% higher than it would have been otherwise. The residual variance is mainly due to a combination of other receipt related timing delays and delays in the overall debt recovery cycle due to issues relating to court dates. Therefore the current expectation is that the position will recover by the end of the year.

## 8. General Fund - Capital Programme

8.1. The General Fund Capital Programme for 2024/25 has an approved budget of £109.005m. The following amendments are requested to be formally approved, which would result in a revised Capital Programme budget of £96.905m. This includes budget

reprogramming between years following a review of schemes by the Capital Programme Board. These amendments are set out on an individual scheme basis in Appendix 5.

**Table 14. General Fund Capital Programme Amendments**

<b>General Fund Capital Programme</b>	<b>£m</b>
<b>Revised Approved Budget 2024/25</b>	<b>109.005</b>
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	3.200
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	0.080
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	(1.691)
Budgets reprogrammed (to)/from Future Years	(13.689)
<b>Proposed Revised Budget Quarter 1 2024/25</b>	<b>96.905</b>

- 8.2. Budget movements requested between schemes are set out within Appendix 5.
- 8.3. A total of £3.200m of additional budgets across seven schemes (as set out in Appendix 5) that are fully funded by grants and contributions are requested to be formally added into the Capital Programme. This includes:
- £1.498m for Community Infrastructure Levy (CIL) 15% local allocations to the CIL Local Funds – Neighbourhood Allocation scheme;
  - £1.025m for Network North and Traffic Signal Obsolescence grant funding for the Highways Infrastructure Programme scheme;
  - £0.677m for grants and contributions across other schemes.
- 8.4. An additional scheme is requested for the Bereavement Service to build 50 burial chambers at a cost of £0.080m, instead of building approximately 6 chambers per year. This approach will save the Council resources through the bulk nature of the scheme reducing the overall building time and associated management on site. The scheme will be funded through borrowing being repaid through additional income received by the service over an estimated eight-year life of the scheme. A new scheme with a budget of £0.080m is therefore requested to be funded through borrowing, being fully repaid through additional income charged. It is also requested that spend approval for the scheme is given.
- 8.5. A total of £1.691m of budgets across six schemes (as set out in Appendix 5) are requested to be removed from the programme where schemes have completed under budget and to correct budgets to align to the latest allocations This includes:
- £1.127m for the CIL Local – Neighbourhood Allocation scheme to correct the budget to align to the latest allocations;
  - £0.564m of budgets across other schemes.
- 8.6. A net total of £13.689m of budgets are requested to be reprogrammed between 2024/25 and future years of the Capital Programme as set out in Appendix 5. This includes:
- £5.000m for the Loan to RTL (Bus replacement programme) where there are currently no plans in place to extend further loans;
  - £2.178m for the Minster Quarter and Minster Quarter – Brownfield Land Grant Element schemes to align with the development agreements dates schedule;
  - £2.109m for the Co-located Profound and Multiple Learning Disabilities Day Opportunities and Respite Facility and Sheltered Housing Flats scheme due to contractual delays which as a consequence have delayed the start on site;
  - £1.269m for the Leisure Centre Procurement scheme (ongoing works);

- £0.750m for the Salix Decarbonisation Fund scheme;
  - £0.669m for the Corporate Solar Programme;
  - £1.714m of net re-programming between years across all other schemes.
- 8.7. In addition, a net total of £5.311m of budgets across four schemes are requested to be reprogrammed between 2025/26 and future years and a further net total of £0.870m is requested to be reprogrammed between 2026/27 and future years. This includes;
- £3.355m for the Provision of Gypsy & Traveller Accommodation scheme due to changes in the sites being considered;
  - £0.963m for the Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats scheme due to contractual delays which as a consequence have delayed the start on site;
  - £0.793m from 2025/26 and £0.870m from 2026/27 for the Leisure Centre Procurement scheme (ongoing works);
  - £0.200m of net re-programming between years across all other schemes.
- 8.8. Against the proposed revised budget of £96.905m there is a forecast positive net variance of £0.136m. This variance relates entirely to the Delivery Fund.

## **9. Delivery Fund**

- 9.1. Costs of service transformation and the delivery of future ongoing savings are able to be charged to capital (and financed from new capital receipts) due to the introduction of the Flexible Capital Receipts Regulations. These regulations are currently due to end on 31st March 2025.
- 9.2. There is a total of £3.144m Delivery Fund available for 2024/25 (inclusive of 2023/24 approved carry forwards). At Quarter 1, £3.097m of this funding has been allocated out to approved schemes and the forecast spend is £3.008m, which represents a positive net variance of £0.136m. As this flexibility is due to end on 31st March 2025, any funds that have not been spent will not be eligible to be carried forward to be spent in 2025/26.

## **10. Housing Revenue Account – Revenue**

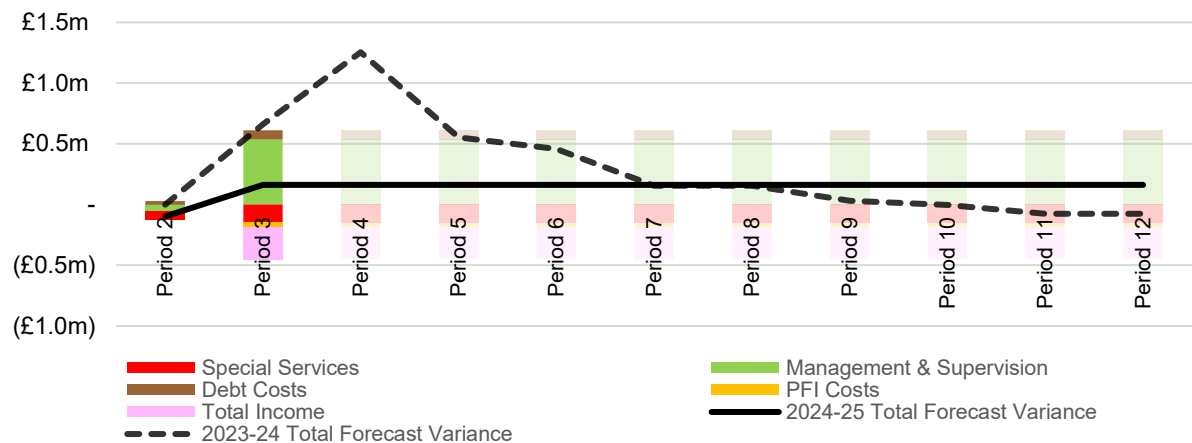
- 10.1. The approved Housing Revenue Account (HRA) budget assumed a drawdown from HRA reserves of £2.582m. At Quarter 1, the forecast revenue outturn position on the HRA is an adverse net variance to budget of £0.162m. Therefore, a drawdown from the HRA Reserve is forecast of £2.744m rather than the originally budgeted £2.582m drawdown from reserves. The breakdown of the net variance is set out in the following table and explained below.

**Table 15. Housing Revenue Account Forecast 2024/25**

	Budget £m	Forecast Outturn £m	Variance £m
Management & Supervision	9.350	9.886	0.536
Special Services	4.950	4.799	(0.151)
Provision for Bad Debts	0.891	0.891	0.000
Repairs & Maintenance	8.460	8.460	0.000
Major Repairs/Depreciation	15.192	15.192	0.000
Debt Costs	7.009	7.084	0.075
PFI Costs	8.254	8.221	(0.033)
Revenue Contribution to Capital	0.000	0.000	0.000
HRA Income	(51.524)	(51.789)	(0.265)
<b>Total</b>	<b>2.582</b>	<b>2.744</b>	<b>0.162</b>
<b>Movement to/(from) HRA Reserves</b>	<b>(2.582)</b>	<b>(2.744)</b>	<b>(0.162)</b>

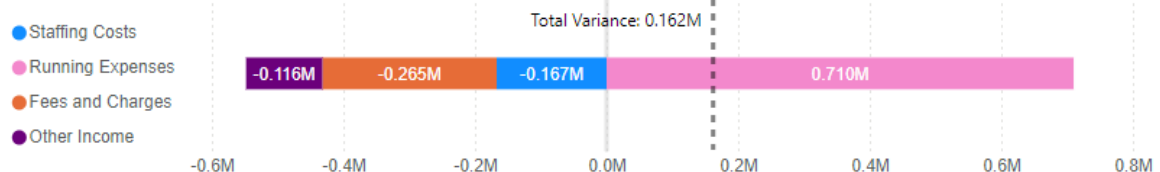
10.2. The following chart summarises the forecast budget variance, split by services within the HRA, for each period to date.

**Chart 24. Forecast Variance Period Comparison – Housing Revenue Account**



10.3. The following chart summarises the overall forecast budget variance for the Housing Revenue Account by high level category:

**Chart 25. Split of Total Variance – Housing Revenue Account**



10.4. Management and Supervision is expected to have an adverse variance of £0.536m. Although there is a positive variance on payroll due to vacancies, there are additional project costs of implementing the new housing management computer system as well as an increase to the contribution towards the General Fund Central Support Recharges which were reviewed as part of the Recovery Plan process.

10.5. Special Services, which include sheltered housing schemes, is expected to have a positive variance of £0.151m due to staffing vacancies.

10.6. There is expected to be an adverse variance on Debt Costs of £0.075m due to interest rates staying higher for longer than anticipated.

10.7. PFI Costs are expected to have a positive variance of £0.033m based the actual rate of inflation being lower than was expected.



- 10.8. HRA Income is forecasting a positive variance of £0.265m. Dwelling Rents are currently projected to be overachieving on the budget by a total of £0.129m (0.3% more than budget). In addition, there is an overachievement forecast on Service Charges of £0.027m. Finally, Other Income is also forecast to overachieve against the budget by £0.109m.
- 10.9. The remaining areas are expected to be in line with budget.

## 11. Housing Revenue Account - Capital Programme

- 11.1. The HRA Capital Programme for 2024/25 has an approved budget of £50.050m. The following amendments are requested to be formally approved, which would result in a revised HRA Capital Programme budget of £45.284m. These amendments are set out on an individual scheme basis in Appendix 6.

**Table 16. HRA Capital Programme Amendments**

<b>HRA Capital Programme</b>	<b>£m</b>
<b>Revised Approved Budget 2024/25</b>	<b>50.050</b>
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	0.000
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	0.000
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	0.000
Budgets reprogrammed (to)/from Future Years	(4.766)
<b>Proposed Revised Budget Quarter 1 2024/25</b>	<b>45.284</b>

- 11.2. A net total of £4.766m of budgets are requested to be reprogrammed from 2024/25 into future years of the Capital Programme as set out in Appendix 6. This includes:
- £6.709m from 2024/25 into future years for the Local Authority New Build Programme for Older People and Vulnerable Adults scheme due to contractual delays which as a consequence have delayed the start on site;
  - £1.943m from future years into 2024/25 for the New Build & Acquisitions - Phase 2 – 4 scheme.

## 12. Corporate Plan Performance

### Summary

- 12.1. This section of the Performance Report sets out progress against the Performance Measures and Projects included in the Council's Corporate Plan "Investing in Reading's Future."
- 12.2. The Corporate Plan sets out the Council's vision "To help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success" and three priority themes of:
- Healthy Environment
  - Thriving Neighbourhoods
  - Inclusive Economy
- 12.3. These themes are supported by the strong Foundations of effective service delivery, improvement and transformation needed to ensure the effective delivery of the ambitious programme set out in the Corporate Plan.

- 12.4. The Corporate Plan update, agreed in March 2024, includes 48 KPIs and 46 projects which underpin delivery of the Council’s vision and priorities. Of the 48 KPIs, 24 are annual measures.
- 12.5. The full list of Performance KPIs monitored in year is attached at Appendix 7 and Projects as Appendix 8.
- 12.6. The table below provides a summary of the status of the KPIs and projects at the end of the first quarter of 2024/25.

**Table 17. Performance Overview**

What	Status %			
	Red	Amber	Green	Complete
Key Measures	46	17	37	n/a
Key Projects	0	37	56	7

**Corporate Plan KPIs**

- 12.7. The KPIs are rated as follows:
- Green – at or above target
  - Amber – within 10% of the target
  - Red – 10% or more off target
- 12.8. The following table shows performance against the target (red/amber/green) for the 24 measures reported in year for 2024/25, compared to previous quarters.
- 12.9. The Quarter 4 figures include the 31 annual measures which were included in the KPI set for 2023/24.

**Table 18. Summary of Performance against target KPIs**

Status	2023/24				2024/25	
	Q1	Q2	Q3	Q4	Q1	
	%	%	%	%	%	No.
Green	50	54	38	40	37	9
Amber	23	19	27	23	17	4
Red	27	27	35	37	46	11
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>24</b>

- 12.10. Further details are provided within Appendix 7.

**Corporate Plan Projects**

- 12.11. Projects are rated as follows:
- Blue – complete
  - Green – on track
  - Amber – at risk
  - Red – off track
- 12.12. The following table shows the RAG status for the Corporate Plan projects:

**Table 19. RAG Status of Corporate Plan Projects**

Status	2023/24				2024/25	
	Q1	Q2	Q3	Q4	Q1	
		%	%	%	%	No.

Blue	0	0	0	0	7	3
Green	52	53	66	68	56	26
Amber	46	47	34	32	37	17
Red	2	0	0	0	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>46</b>

12.13. Further details are provided within Appendix 8.

### **13. Contribution to Strategic Aims**

13.1. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.

13.2. Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

### **14. Environmental and Climate Implications**

14.1. The Council declared a Climate Emergency at its meeting on 26th February 2019. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.

14.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

### **15. Community Engagement**

15.1. Budget-related communications and consultations will continue to be a priority over the next three years as we work to identify savings and efficiencies.

### **16. Equality Implications**

16.1. The equality duty is relevant to the development of the Budget. The specific savings and income proposals included in the budget are subject to consultation and equality impact assessments where required and these are being progressed as appropriate.

### **17. Other Relevant Considerations**

17.1. There are none.

### **18. Legal Implications**

18.1. The Local Government Act 2003 requires that the Authority reviews its Budget throughout the year and takes any action it deems necessary to deal with the situation arising from monitoring. Currently monitoring reports are submitted to Policy Committee quarterly throughout the year.

### **19. Financial Implications**

19.1. The financial implications are set out in the body of this report.

1.30 Net budget pressures totalling £13.068m have been identified during Quarter 1. The Corporate Management Team has taken urgent action to address the situation and work has so far identified £8.081m of in-year mitigations. These mitigations reduce the overall forecast net pressures to £4.987m. Work is ongoing to identify further savings, however the position remains challenging. A pause on all non-essential expenditure and

recruitment has been implemented until the budget is brought back in line. Further savings proposals requiring a Member decision will be submitted to Policy Committee for consideration in October.

## **20. Timetable for Implementation**

20.1. Not applicable.

## **21. Background Papers**

21.1. There are none.

## **Appendices**

- 1. Summary of the General Fund Budget and Forecast**
- 2. Brighter Futures for Children (BFfC) Budget Monitoring Report Quarter 1**
- 3. Recovery Plan Quarter 1**
- 4. Savings Tracker Quarter 1**
- 5. General Fund Capital Programme**
- 6. Housing Revenue Account (HRA) Capital Programme**
- 7. Corporate Plan Performance Measures Quarter 1**
- 8. Corporate Plan Projects Quarter 1**